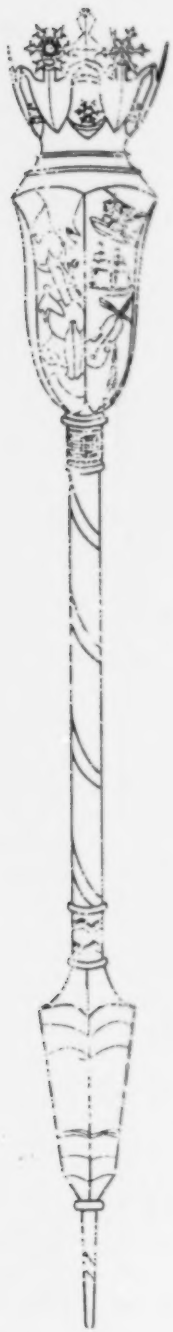
COMMITTEE REPORT NO. 8 - 14(4) TABLED ON NOV 2 2001



Northwest Territories Legislative Assembly

Standing Committee on Governance and Economic Development

Public Review of Bill 9: ***Commercial Vehicle Trip Permit Act,*** **and Bill 10:** ***Public Highway Improvement Fund Act***

Chairperson: Mr. Floyd Roland

MEMBERS OF THE STANDING COMMITTEE ON GOVERNANCE AND ECONOMIC DEVELOPMENT

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Paul Delorey
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STAFF

Doug Schauerte
Committee Clerk

Shirley J. Johnson
Committee Researcher

Doug Pon
Committee Researcher

Katherine Peterson
Law Clerk

Northwest Territories Legislative Assembly
Standing Committee on Governance and Economic Development

105-00520/

NOV 2 2001

THE HONOURABLE ANTHONY (TONY) WHITFORD, MLA
SPEAKER OF THE LEGISLATIVE ASSEMBLY

Mr. Speaker:

Your Standing Committee on Governance and Economic Development has the honour of presenting its Report on the Review of Bill 9: *Commercial Vehicle Trip Permit Act*, and Bill 10: *Highway Improvement Fund Act*

Floyd Roland, MLA
Chair

P.O. Box 1320
Yellowknife
Northwest Territories
X1A 2L9
T: (867) 669-2299
F: (867) 873-0432
www.assembly.gov.nt.ca

Report on the Review of Bill 9: *Commercial Vehicle Trip Permit Act*, and Bill 10: *Public Highway Improvement Fund Act*

Overview

- The Standing Committee on Governance and Economic Development is pleased to report on its review of Bills 9 and 10, the *Commercial Vehicle Trip Permit Act* and the *Public Highway Improvement Fund Act*, respectively. Collectively, they are also referred to as the proposed Highway Investment Strategy.

- This report was prepared by members of the Standing Committee on Governance and Economic Development ("the Standing Committee" or "the Committee"). The Committee is comprised of Floyd Roland as Chair, Sandy Lee as Deputy Chair, and Bill Braden, Paul Delorey, David Krutko and Steven Nitah.

- On June 13, 2001, Bill 9 was introduced by the Honourable Vince Steen, the Minister of Transportation; and Bill 10 was introduced by the Finance Minister, the Honourable Joe Handley. Both Bills received second reading on June 14, 2001 and were referred to the Standing Committee on Governance and Economic Development on the same day.

  Under the Rules of the Legislative Assembly, the Standing Committee has 120 days to review and report on Bills. The Committee met frequently to discuss and review research material and legal issues surrounding the Bills.

- The Committee, which is not part of Cabinet, conducted public hearings on Bill 9, the proposed *Commercial Vehicle Trip Permit Act* and Bill 10, the proposed *Public Highway Improvement Fund Act*, in the following communities:

  (a) Inuvik on August 27-28, 2001;
  (b) Fort Simpson on September 13-14, 2001;
  (c) Fort Smith on October 10-11, 2001;
  (d) Hay River on October 11-12, 2001;
  (e) Norman Wells on October 15-16, 2001; and in
  (f) Yellowknife on October 17-18, 2001.

- Prior to the public hearings, the Committee placed advertisements in newspapers in the Northwest Territories to inform the public of the Committee's review, invite oral presentations and written submissions, and to advise that applications for travel assistance would be considered by the Committee. Public service announcements were also aired on northern radio stations and notices placed on community television channels. Media advisories were sent informing the press where the hearings would be held. In addition, the Committee provided information packages and offered assistance to over 200 identified interested parties to appear before the Committee.

- The Standing Committee on Governance and Economic Development would like to thank all of the individuals and organizations that presented their views and concerns at the public hearings or by written submission. The comments and suggestions were of great assistance and were carefully reviewed by the Committee during its deliberations.

- Appendix 1 and Appendix 2 of this report, list the numerous concerns and options presented by witnesses, who appeared or sent written submissions to the Committee, organized by community.

Background to Bills 9 and 10

- Bill 9, the proposed *Commercial Vehicle Trip Permit Act* will allow the Government to collect trip permit fees from commercial vehicle traffic weighing over 12,000 kilograms using the territorial all-weather public highway system. It will not collect trip permit fees on non all-weather public highway systems such as ice roads.

  The trip permit fee is based on a truck's axle configuration and its route through designated highway zones. The larger the truck and the farther it travels, the greater the trip permit fee. There will be no need to weigh each truck. The fee is determined by the truck's carrying capacity and the trip it takes. From the Department of Transportation's perspective (and not necessarily from an industry or customer's perspective), the proposed system would be simple to administer and would allow carriers to obtain trip permits over the telephone.

  Under the proposed system, for example, a truck does not need a trip permit if it is empty, if its load begins and ends in the same highway zone, if the trip is only over a seasonal winter road or it is engaged in highway construction.

All fees collected from the *Commercial Vehicle Trip Permit Act* will be paid into the Public Highway Improvement Fund that is proposed under Bill 10, the *Public Highway Improvement Fund Act*. This fund will enable the Government to finance reconstruction and upgrading of all *existing* territorial highways, and pay for the costs of administering the trip permit system. It will not finance new highway construction. The Department stated that the commercial vehicle trip permit fee on commercial trucking would generate $15,000,000 annually.

- Bills 9 and 10 are the foundation of the Department of Transportation's proposed Highway Investment Strategy ("strategy"). The objective of the strategy is to improve the existing territorial all-weather highway system.

  The strategy will allow the Government to invest $100,000,000, over and above its $48,000,000 planned expenditure over the next four years, in the reconstruction and upgrading of existing all-weather highways throughout the Northwest Territories.

Principal Issues

Introduction

- In his opening remarks at the outset of every hearing, the Chair advised the public that the proposed Bills are government initiatives and that it was the Committee's responsibility to hear the views and concerns of the residents of the Northwest Territories. He added that the Committee is not part of Cabinet. Finally, the Chair stated that, after careful consideration, the Committee would report the public's concerns back to their colleagues in the House by way of this report.

- The Committee heard many concerns from stakeholders and other members of the public arising from the review of Bills 9 and 10.

  A comprehensive list of these concerns are listed by community in Appendix 1 of this report. The Committee also heard and received many alternatives to the proposed Highway Investment Strategy from the public. These alternatives or options are addressed later in this report and are listed by community in Appendix 2.

- The overwhelming majority of public opinion centred upon the following issues (next page):

Increased Cost of Living for All Northern Residents

- Without exception, individuals and non-profit organizations were of the opinion that the ordinary residents of the Northwest Territories, not the resource or trucking sectors, will ultimately shoulder the trip permit fees. And that, these fees would have significant impact upon seniors, the disabled, and fixed- and low-income earners. The Committee heard from the majority of presenters that Bills 9 and 10 should be scrapped and other options considered. All presenters agreed that the roads need improvement, but this strategy is the wrong way to do it.

  Presenters noted that resource companies would be able to deduct the trip permit fees from their gross taxable income. Trucking companies will not absorb the fees as they are in the business of making money and will have to recover their costs. These fees, further increased by costs related to their complex administration will be passed on to their customers who in turn recover their costs from the final consumer – the residents of the Northwest Territories. As the goods are transferred from one party to another, costs are increased by the inclusion of GST and other overhead such as supplementary paperwork, which significantly increase the ultimate cost of the goods.

- In its written and oral submissions to the Committee on October 12, 2001, the Hay River Seniors' Society concluded that,

  > The road tax [or trip permit fee] will be applied universally and its impacts on our economy can be potentially devastating, whether it's a package of chewing gum or fuel to heat your home. This tax [or fee] reaps rewards, but this revenue will be converted into higher costs that are passed on to consumers.
  >
  > With an increase in cost to people receiving social benefits and those living on fixed income including seniors, this plan offers great peril... for us on fixed income, it's a double whammy. We must first absorb this increased cost of living through belt tightening.

- This is further supported by a presentation made by the NWT Trucking Association on October 17, 2001 in Yellowknife which stated:

  > Transportation is an essential service. It is a significant component of the high cost of living in the North – a cost that includes food, shelter, heat, clothing and other essentials. The proposed tolls [fee] will increase these costs further.

> Our Finance Minister says it will add about $300 per year for a family of four. The [actual] cost increase will be about 4 to 5 times higher for a family in Fort Good Hope than it will be for a family of four in Hay River. The [recently approved increase to our Cost of Living Tax Credit] will give additional relief of $177 per year for our wealthiest citizens and less than $100 for a family with a net taxable income of less than $35,000. (Speaking Notes for a Presentation by the NWT Trucking Association to the Standing Committee of the NWT Legislative Assembly, October 17, 2001, p. 2)

- Furthermore, only a small portion of goods and services purchased by the average NWT household was taken into consideration by the Government in its impact analysis of the fee upon NWT residents. In a study commissioned by the Chamber of Mines for the NWT and Nunavut, it was reported that:

> The government provides data only for the impact on groceries, heating fuel and motor fuel [which according to Statistics Canada accounts for only 20% of 1998 NWT household expenditures]. It does not take into account the fact that all goods and services [such as cars, building materials, air tickets, etc.] in the NWT households would be impacted by the tax [fee].
>
> The exclusion by the GNWT of 80% of the goods and services purchased by NWT households in their cost analysis significantly understates the impact of the road tax on NWT residents. (A Review of the Proposed Road Tax on the NWT Economy, Preliminary Report – A Report prepared by Ellis Consulting for the NWT and Nunavut Chamber of Mines, October 2001, p. 2.)

Communities not on the All-weather Highway System

- The Committee heard unanimous opinion that living costs will be substantially increased for residents living in and businesses operating in communities that are not on the all-weather highway system.

- The proposed Highway Investment Strategy provides funding for the reconstruction and maintenance of the existing all-weather highway system, but not for new highways.

Communities that are not on the all-weather highway system will not receive any direct benefit, but will still be required to pay for part of the strategy through the increased cost of goods and services. Goods including fuel, food, and other essential supplies are in most part shipped via truck to the nearest regional centre before being flown in to these isolated communities and costs will be recovered by every party in the transaction except for the final end-users, that being the residents of the isolated communities.

- With the exception of the Food Mail Program operated by Canada Post, and partially funded by the Department of Indian and Northern Development, there are no other subsidized freight programs for isolated, fly-in communities.

- Mr. Kevin Diebold, the Mayor of Norman Wells, which is a community that is not on the all-weather highway system, informed the Committee that:

> The Council of Norman Wells opposes the imposition of a permit fee. The rationale – freight costs are already the greatest single impediment to the North.
>
> It creates an additional burden for already high freight costs on our area residents, for whom there is no direct benefit. That is not only Norman Wells, but I assume that if you were to hold meetings in other communities in the Sahtu region [none of which are on the all-weather highway system], you would hear the same thing.
>
> Additional costs for administration of the program will also be passed on to the consumer, both for trucking and retail. The cost for a kilogram of freight is the greatest in the Sahtu, except for Wrigley. (Norman Wells, Committee transcript, October 15, 2001, p. 3)

- Most presenters and stakeholders recommend not passing the Bills and exploring other options to expand and maintain the territorial highway system. However, if Bills 9 and 10 are implemented, significant numbers of presenters were of the position that exemptions or subsidies for essential goods be established for communities not on the all-weather highway system. The cost of living is expensive enough for fly-in only communities without them having to contribute to a program from which they do not receive a direct benefit.

Northern Businesses and Economic Development

- There was agreement among all businesses that appeared before, or made submissions to the Committee, that if the Highway Investment Strategy is implemented, it will result in hardship and some closures for northern businesses.

  All businesses will either have to absorb the cost or pass it on to the customer. Many businesses in the Northwest Territories, especially those in the manufacturing and export sectors will no longer be viable. The following submission reflects the general sentiment of most northern businesses that came before the Committee:

  > The high cost of transportation in the North is perhaps the greatest single impediment to developing the northern economy and increasing business activity and employment opportunities. And that inputs for the production of northern goods and services are expensive to import and finished products are expensive to send to markets. We find it disappointing that the government is seeking to raise the costs of transportation even further.
  >
  > However, we will not be the only industry to pay for this tax, and substantial costs will be passed on to the public as well as to government. (Diavik Diamond Mines, Inc. letter and presentation to Committee, October 17, 2001, p. 2)

- Regarding the mining and exploration industry, Diavik reported that:

  > At the 2001 Mines Ministers Conference, the Prospectors and Developers Association of Canada clearly indicated the sad state of the exploration industry. It has been steadily shrinking for the last four years. Additional transportation costs will further raise the barrier to exploration and discourage junior exploration companies from investing in the Northwest Territories.
  >
  > These are difficult times. There is a global economic slowdown, and the northern economy is not immune from that effect. How long and difficult it will be is still not clear. We do not believe that creating a new tax is wise, nor is it necessary at this time. (Ibid., p. 6)

- In addition, the manufacturing and export sector will be particularly impacted, as these industries have to compete in the national and global market place.

An example is Fibreglass North. Not only do they will they have to pay a trip permit fee on raw materials imported to their manufacturing facility, but will be double charged when they export their finished product to market. Fibreglass North can pass these costs onto the customer, but it will most likely lose business to more economical manufacturers in lower cost jurisdictions like Alberta. A $200 tank would cost $1,000 by the time it gets to the Alberta border because the backhaul [charge] would be $800.

- The Committee noted that unless businesses can find measures to avoid this tax, such as the use of other modes of transportation, which are limited or prohibitively expensive, they will either have to close or relocate south. The proposed Highway Investment Strategy will also discourage people from starting or expanding their own businesses as well as businesses from moving to the Northwest Territories.

- The proposed commercial trip permit fee is also difficult and expensive to administer due to its complexity. Unless the toll is based on weight or volume (for liquids and bulky items), it will be unfair. RTL – Robinson Enterprises expressed some of its concerns in a letter to the Committee that:

  > The majority of shipping customers in the Northwest Territories access LTL (Less Than Load) service. The freight shipments of many customers are combined to make up a "full load." Therefore, the permit fee associated with this LTL load must be fairly disbursed between these shipping customers.
  >
  > In [a perfect world] perhaps, all customers ship to one destination, and even more perfectly, the configuration of trailers used for the trip will always weigh in at the maximum legal axle weight. In the real world however, there are space-consuming, but lightweight goods to be shipped (baked goods, potato chips, insulation, etc.) and very likely, there will be "line drops" (destinations along the way where some cargo is to be delivered, or perhaps one of two trailers is dropped off).
  >
  > Freight transportation is akin to assembling a jigsaw puzzle very quickly. Perishable and time sensitive commodities will not wait for perfect load configurations, and often, space is maximized before weight is. The transportation industry is not able to absorb shortfalls in toll collections for less than maximum weight loads. The result will be 'hidden' tolls built into rates.

> Shippers [or customers] must be able to expect consistent and fair applications of their share of the permit fees. Fifty pounds of potatoes hauled to Hay River should trigger the same toll whether moved in Super B Vans or a Body Truck, regardless of which carrier has been hired to move the goods. In analysing the proposed fee structure, we note that the per pound rate for maximum weight loads varies with the configuration. (RTL – Robinson Enterprises Ltd., July 13, 2001 letter to the Standing Committee on Accountability and Oversight and referred to the GED, p. 2-3.)

Government of the Northwest Territories

- Bills 9 and 10, if implemented will severely impact upon the Government of the Northwest Territories' ability to maintain delivery of existing programs and services. The Government directly or indirectly imports most of the goods it needs from the south. These goods may include heating fuel, construction supplies, medical equipment, textbooks and other essential goods. These goods are most likely shipped by carriers, which must pay the vehicle trip permit fee. These fees are passed on to the customer, in this case, the Government.

  A report prepared for the NWT and Nunavut Chamber of Mines concluded that:

  > The GNWT will pay a significant portion of the tax [and] it will lead to higher costs for its departments and agencies as well as those of local governments, school boards and other publicly funded agencies. In addition, the federal government will be impacted by the tax. It is estimated that the government sector will pay about $4,000,000 or 20% of the tax revenues in 2002. (A Review of the Proposed Road Tax on the NWT Economy, Preliminary Report – A Report prepared by Ellis Consulting for the NWT and Nunavut Chamber of Mines, October 2001, p. 2.)

- Further, the NWT Trucking Association asked:

  > Will [the Government] be looking for more money to make up the added costs? Will municipalities be looking for more money from the GNWT, or will they also raise taxes to pay for their increased

> costs? How much revenue will [the Government] lose as a result of bankruptcy and losses in businesses and employment income? (Presentation by the NWT Trucking Association to the Standing Committee of the NWT Legislative Assembly, October 17, 2001, p. 2.)

- The general consensus amongst presenters is, if the Territorial Government does not have the resources to maintain and expand its highway system, the Government should lobby for and obtain the necessary funding from the federal government.

Principal Options

- The Committee heard many alternatives to the Government's proposed Highway Investment Strategy from stakeholders and other members of the public. A complete list of these options are listed by community in Appendix 2 of this briefing note. In summary, the majority of public opinion suggested the following options:

Eliminate the Proposal and Explore Other Options

- The option most mentioned at all the public hearings held by the Committee is, cancel the proposal and work with stakeholders, aboriginal groups, communities and other members of the public to explore other options. The passage of Bills 9 and 10, represent considerable hardship for the residents and all sectors of the economy of the Northwest Territories.

- Ms. Judy Harder of Inuvik made the following statement to the Committee:

> I oppose this toll tax because it is going to increase the freight rate on everything that we buy, whether it be clothing, food, fuel for our vehicles, whatever is brought up the highway is going to have an increased freight rate. There is nothing in the north that arrives here where if it does not come by truck, comes by air. We already know that when road closure happens the airfreight cost is over a dollar a pound. If it is not coming by air, it is coming by truck.
>
> My petition states that we the residents of the Inuvik region oppose the proposed toll fee on the Dempster Highway. To even consider

> increasing the cost of freight to this region will increase the cost of living for every man, woman and child, and that is unacceptable. We do not agree to an increase to our food costs, clothing costs, transportation costs, fuel costs, everything that we buy. We request the Government of the Northwest Territories to rescind this proposal. (Committee transcript, Inuvik, August 27, 2001, p. 11.)

Lobby the Federal Government

- The second most frequent option was to lobby the federal government for more funding and aggressively pursue a greater share of our resource royalty revenues from the federal government.

  In the past and within our current Formula Financing Agreement with Ottawa, it is the federal government who receives most of the benefit from resource development in the North. Under the existing Formula Financing Agreement, for every additional dollar in tax revenues that is received by the Territorial Government, Ottawa receives 80 cents. If the federal government is receiving most of the benefit, then they can pay their fair share of the investment in highways.

- There are no guarantees from the federal government that the proposed fee would not be clawed back in future Formula Financing Agreements with Ottawa. This was an ongoing concern of the Committee. Unfortunately, in the Committee's correspondence with the Territorial Finance Minister on this issue, the Minister was unable to provide solid assurance that the proposed fee would not be clawed back.

  > I am writing in response to your letter of May 25, 2001, in which you requested a special revenue exclusion under the Territorial Formula Financing (TFF) for the new highway toll you are introducing. It is my understanding that although this is not a concern under the current TFF Agreement, [however] you are seeking a special exclusion for the next Agreement which would commence in 2004-2005.
  >
  > ... I am not in a position to make such a commitment at this time.
  >
  > ... I would not want to prejudge the outcome of that process.
  >
  > (June 18, 2001 letter to the Honourable Joe Handley, Minister of

> Finance, Government of the Northwest Territories from the Honourable Paul Martin, Minister of Finance, Government of Canada.)

- Mr. Frank Pope, a town councilor from the community of Norman Wells summed it up by suggesting:

> ... when you go back and write your report on this, I think you should direct the Cabinet, the Premier, etc., to go after the federal government. That is where the dollars are. They are the people who are being well paid from our resources from the Northwest Territories. Once DeBeers and Diavik come on line and that starts to pay for itself again, unless things change, the royalties, the dollars are going to flow into federal coffers and they will give you a little back. (Committee minutes, Norman Wells, October 16, 2001, p. 10.)

Exemptions

- Many presenters were not hopeful, that despite the Bills' shortcomings, the Government would shelve the proposal. As a result, in light of the already high cost of living in the North, especially for isolated, fly-in only communities, numerous presenters suggested exemptions be considered. These exemptions are two-fold:

  (a) If this proposal is considered, include exemptions for groceries, clothing and other essential goods to minimize the impact upon residents; and
  (b) If this proposal is considered, include exemptions and/or subsidies for communities that are not on the all-weather highway system as they will be the most severely impacted.

Sunset Clause

- At every public hearing, members of the public, non-profit organizations and businesses encouraged the Government to include a sunset clause in the proposed legislation.

  Presenters were of the opinion that once a government (Federal or Territorial) introduces a tax or a fee, they will never withdraw it even when the tax/fee's objective has been achieved.

Examples include our personal income tax system, which was implemented to pay for Canada's participation in World War I, the payroll tax, and the GST.

- The legislation as it stands does not have a sunset clause. The presenters would like a clause added to the legislation even if it extends into future Legislative Assemblies.

Conclusion

- The Standing Committee on Governance and Economic Development conducted public hearings in six communities and received written submissions from numerous stakeholders in the Northwest Territories on Bill 9, the proposed *Commercial Vehicle Trip Permit Act* and Bill 10, the proposed *Public Highway Improvement Fund Act*. Members of the Committee heard general consensus that Bills 9 and 10, collectively referred to as the Highway Investment Strategy, be shelved.

- The overwhelming majority of the presenters and the members of the Committee appreciated the need for improvements to our existing highway system. However, they concluded in the strongest terms, that this strategy is the wrong way to do it.

  The proposed strategy would severely impact upon the already high cost of living for the residents of the Northwest Territories, especially upon communities who are not on the all-weather highway system. These isolated communities would be required to pay for a program from which they will not receive a direct benefit. In short, it will not be the resource or trucking sector that will bear the brunt of the strategy, but ultimately, the costs will be borne by the residents of the Northwest Territories.

- Almost all stakeholders and residents that came before or made submissions to the Committee recommended the Government work with the private sector, aboriginal groups, communities, residents and other stakeholders to develop and consider more realistic options that would minimize the overall impact upon our already high cost of living.

- Accordingly, after a lengthy and detailed consultation process, the majority of the Committee members on October 18, 2001 rejected Bill 9, the proposed *Commercial Vehicle Trip Permit Act*, and Bill 10, the proposed *Public Highway Improvement Fund Act*.

- In a press release made on October 23, 2001, Mr. Roland, the Chair, of the Standing Committee on Governance and Economic Development, and Ms. Lee, the Deputy Chair stated:

  > The opposition to this proposal was nearly unanimous. It was overwhelming. Everyone agrees we need to improve our highways. Most northerners agree that the Trip Permit Fee is not the route to take. (Ms. Lee)
  >
  > The majority of our Committee membership cannot, in good conscience, support the enactment of this legislation. We are hopeful that Cabinet and the other Members have been listening to their constituents. (Mr. Roland)

Guide to Appendices

Appendix 1 (p. 15)

- Appendix 1 is a comprehensive list of concerns the Committee heard or received on the proposed Highway Investment Strategy during its public hearing process.

Appendix 2 (p. 21)

- Appendix 2 is a comprehensive list of options or alternatives to the proposed Highway Investment Strategy the Committee heard or received during its public hearing process.

Appendix 1

Issues from Public Hearings on the Proposed Highway Investment Strategy

(*NM = Not Mentioned)

Issue	Inuvik	Fort Simpson	Fort Smith	Hay River	Norman Wells	Yellow-knife
Costs will be passed on to the customer.	Yes	Yes	Yes	Yes	Yes	Yes
GST is charged on top of fee, making the fee even more expensive.	Yes	Yes	Yes	Yes	NM	Yes
Will increase the cost of living for all residents, especially those off the highway system.	Yes	Yes	Yes	Yes	Yes	Yes
Will severely impact upon fixed-income residents and seniors.	Yes	Yes	Yes	Yes	Yes	Yes
Higher cost of living may encourage seniors to move to other jurisdictions.	Yes	Yes	Yes	Yes	NM	Yes
Higher cost of living may deter much needed professionals from moving to the North.	Yes	Yes	Yes	Yes	Yes	Yes
Higher cost of living may encourage needed pro-fessionals to move to other jurisdictions.	Yes	Yes	Yes	Yes	Yes	Yes

Issue	Inuvik	Fort Simpson	Fort Smith	Hay River	Norman Wells	Yellow-knife
Will increase cost to Government, resulting in a reduction of programs and services or an increase in taxes to maintain current levels.	Yes	Yes	Yes	Yes	Yes	Yes
Will increase operational costs for non-profit organizations.	Yes	Yes	Yes	Yes	NM	Yes
May set a precedent for other jurisdictions to establish similar fees, further increasing everyone's cost of living.	Yes	Yes	Yes	Yes	Yes	Yes
May deter resource and other companies from coming to the North, especially given our already comprehensive fee regime, high cost of resupply and other operational challenges.	Yes	Yes	Yes	Yes	Yes	Yes
Companies and people are tired of paying extra fees for every government program or service.	Yes	Yes	Yes	Yes	Yes	Yes
May encourage Nunavut to proceed with a competing port and road system into the Slave Geologic Region.	Yes	NM	NM	Yes	NM	Yes
Negative impact upon trucking industry.	Yes	Yes	Yes	Yes	Yes	Yes

Issue	Inuvik	Fort Simpson	Fort Smith	Hay River	Norman Wells	Yellow-knife
Marginal trucking companies may be eliminated, resulting in even higher transportation costs resulting from new trucking monopolies.	Yes	Yes	NM	Yes	Yes	Yes
Trucking companies may have to hire additional staff to administrate proposed fees.	Yes	Yes	Yes	Yes	Yes	Yes
Trucking companies may have to recover proposed fees and administrative costs from their customers.	Yes	Yes	Yes	Yes	Yes	Yes
Fee is difficult for trucking companies to determine if cargo is destined for two or more destinations.	Yes	Yes	Yes	Yes	Yes	Yes
Customers of trucking companies are not able to accurately ascertain fees compared to a weight-based toll.	Yes	Yes	Yes	Yes	Yes	Yes
Customers of trucking companies are not able to accurately ascertain fees accurately if their cargo is shipped along with other cargo.	Yes	Yes	Yes	Yes	NM	Yes
Trucking customers are not able to accurately ascertain fees if cargo is less than load (LTL).	Yes	Yes	Yes	Yes	NM	Yes

Issue	Inuvik	Fort Simpson	Fort Smith	Hay River	Norman Wells	Yellow-knife
Customers of trucking companies will have to trust the trucking company to fairly charge them.	NM	NM	NM	Yes	NM	Yes
Negative impact upon the northern economy in general.	Yes	Yes	Yes	Yes	Yes	Yes
Negative impact upon retail sector.	Yes	Yes	Yes	Yes	Yes	Yes
Will divert even more residents to shop in Alberta or BC.	NM	Yes	Yes	Yes	NM	NM
Negative impact upon manu-facturing sector.	Yes	NM	Yes	Yes	NM	Yes
Negative impact upon agri-cultural sector.	NM	NM	NM	Yes	NM	NM
Government did not complete an accurate and comprehensive impact or cost/benefit analysis.	Yes	Yes	Yes	Yes	Yes	Yes
Government made very general assumptions in their analysis that did not accurately represent conditions in most northern communities.	Yes	NM	Yes	Yes	Yes	Yes
Highway Investment Strategy will benefit tourism.	NM	NM	Yes	NM	NM	NM

Issue	Inuvik	Fort Simpson	Fort Smith	Hay River	Norman Wells	Yellow-knife
Increased prices may cause a decrease in tourism.	NM	Yes	NM	NM	NM	Yes
Support for strategy only if it impacts all communities equally.	NM	NM	Yes	NM	NM	NM
Once a government puts in a tax or a fee, it will never remove it.	Yes	Yes	Yes	Yes	Yes	Yes
Whether it is called a fee or a toll, it is still a tax and a burden on the residents.	Yes	Yes	Yes	Yes	Yes	Yes
Many businesses may not be able to absorb the fee.	Yes	Yes	Yes	Yes	Yes	Yes
May increase public safety, but this is not the way to do it.	Yes	Yes	Yes	Yes	Yes	Yes
Fee will divert activity and resources from my region.	Yes	Yes	Yes	Yes	Yes	Yes
May cause some businesses to close.	Yes	Yes	Yes	Yes	Yes	Yes
Unfairly penalizes light, bulky or easily perishable loads.	Yes	NM	NM	Yes	NM	Yes
Most loads are less than full loads, a fairer fee would be weight or volume based.	Yes	NM	NM	Yes	NM	Yes

Issue	Inuvik	Fort Simpson	Fort Smith	Hay River	Norman Wells	Yellow-knife
Will severely impact upon fly-in communities.	Yes	NM	Yes	Yes	Yes	Yes
Will force companies to use alternative transportation such as barge, rail or air, thus reducing highway revenues.	NM	NM	NM	Yes	NM	Yes

End of Appendix 1.

Appendix 2

Options that arose from Public Hearings on the Proposed Highway Investment Strategy

(*NM = Not Mentioned)

Option	Inuvik	Fort Simpson	Fort Smith	Hay River	Norman Wells	Yellow-knife
Eliminate the proposal.	Yes	Yes	Yes	Yes	Yes	Yes
Put in a sunset clause, even if the clause extends into future Legislative Assemblies.	Yes	Yes	Yes	Yes	Yes	Yes
Work with communities and other stakeholders to find other options.	Yes	Yes	Yes	Yes	Yes	Yes
Obtain funding from the federal government.	Yes	Yes	Yes	Yes	Yes	Yes
Lobby and obtain devolution of resource revenues from federal government.	Yes	Yes	Yes	Yes	Yes	Yes
Work with communities and other stakeholders to unilaterally negotiate with the Federal Government for a more equitable share of our resources.	Yes	NM	Yes	Yes	Yes	Yes
Target specific resource sector(s).	Yes	Yes	Yes	Yes	NM	Yes

Issue	Inuvik	Fort Simpson	Fort Smith	Hay River	Norman Wells	Yellow-knife
One-time entry fee into the Northwest Territories instead of the proposed multi-zone fee.	NM	NM	Yes	NM	NM	Yes
Exemptions for food, clothing and medical supplies.	Yes	Yes	Yes	Yes	Yes	Yes
A per carat rough diamond tax levied at source.	NM	NM	NM	NM	NM	Yes
Targeted tolls on winter roads or at staging areas.	NM	NM	NM	Yes	NM	Yes
Garner bigger share of fuel tax revenues from Ottawa	Yes	Yes	Yes	Yes	Yes	Yes
All truck configurations should be included, even those under 12,000 kg.	Yes	NM	NM	Yes	NM	Yes
Increase truck limit to 15,000 kg before fee is imposed to reduce impact upon consumers as groceries and other essential goods are lighter than. construction or industrial supplies.	NM	NM	NM	Yes	Yes	Yes
Increase payroll tax to pay for highways and to encourage people to reside in NWT.	Yes	NM	NM	Yes	Yes	Yes
Join Alberta.	NM	NM	NM	NM	Yes	NM

Reduce speeds and load limits to prolong life of existing roads and to improve safety.	NM	NM	NM	Yes	Yes	Yes
If the GNWT cannot take care of the highway system, give the responsibility back to the federal government.	NM	NM	NM	Yes	Yes	Yes